



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah Department of Commerce Division of Securities

FRANCINE A. GIANI
Executive Director

JASON P. PERRY
Deputy Director

WAYNE KLEIN
Director of Securities

NEWS RELEASE

FORMER BROKER ADMITS CHURNING, IS BARRED

March 22, 2006. Salt Lake City, Utah Francine A. Giani, Executive Director of the Utah Department of Commerce, announced that the Division of Securities entered an Order today against Stephen W. Nebeker of Salt Lake City. Nebeker consented to the entry of the Order.

Nebeker had been a licensed securities broker with Round Hill Securities, of California, when he made unsuitable investment recommendations and conducted excessive trading in the brokerage accounts of a retired Utah widow. Due to the improper trading, one account dropped in value from \$41,000 to less than \$14,000, while generating \$18,000 in commissions and fees. Given the commissions and other expenses, the account would have had to earn 44% annually just to break even. A separate trust account dropped in value from \$150,000 to \$54,000, while generating \$41,000 in commissions and fees. The account would have had to earn 17.8% to break even.

In the Stipulation and Consent Order, Nebeker admitted that he made unsuitable recommendations and engaged in excessive trading. The Division of Securities barred Nebeker from the securities industry and imposed a fine of \$20,000. Payment of the fine was waived based on a demonstration of impecuniosity. In February, 2006, Round Hill consented to an order in which it paid a \$25,000 fine and agreed to enhance its supervisory procedures.

The Division of Securities encourages all investors to carefully check their account statements and report any misconduct to the Division of Securities at (801) 530-6600.